



COMMONWEALTH *of* VIRGINIA

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September 17, 2004

Mr. Glen Tittermary
Joint Legislative Audit and Review Commission
Suite 1100
General Assembly Building
Richmond, Virginia 23219

Dear Mr. Tittermary:

In the spring of this year, VITA requested and received JLARC approval for a direct bill administrative fee of 5.52% to support integration activities necessary to centralize the infrastructure and operations of 90 in scope agencies. We cited the direct bill approach as an interim measure that would gradually disappear as we implement new services and migrate beyond integration toward the transformed environment that is VITA's legislated mandate. In keeping with that objective, VITA is currently pursuing several new projects. Accordingly, we provide this package to request JLARC approval of proposed rates for the new services VITA is preparing to offer.

Additionally, VITA management feels strongly that under and over recoveries should be more closely managed at the billing element or product/service level. Included in this package is a request for JLARC approval of changes to 5 existing (legacy) rates. VITA requests these rates to be made effective as of November 1, 2004.

The attached spreadsheet reflects a summary of the rate changes and new rates for which VITA is requesting approval. Our staff is preparing an agency-by-agency impact analysis based on proposed changes to existing rates, which we expect to be able to provide to you within the next few business days. The completed package will also be provided to the ITIB Finance Committee for approval at its meeting on October 4, 2004.

I welcome a meeting with you and your staff to review any of the documentation presented. If you have any questions, please give me a call on 343-9006.

Sincerely,

A handwritten signature in dark ink, appearing to read "C. Austin Matthews".

C. Austin Matthews
Chief Financial Officer

Attachments

C: Lemuel C. Stewart, Jr.
CIO of the Commonwealth